



A Member of the
OneBeacon Insurance Group

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FACSIMILE

Date: Wednesday, December 03, 2003

Number of Pages including cover (1)

To: Mason & Duffy, P.C.
Attn: Michael P. Mason

From: Bernice M. Ford

RE: Insured: Bluewater Enterprises, Inc.
Policy #: C5JH 51317
Collision of August 24, 2002
IMU Claim #: OBM 00328Y

Dear Mr. Mason:

Thank you for your fax advising that you have chosen a Marine Surveyor to act as "umpire", however please be advised that we do not feel we are ready to proceed with selecting with an umpire at this time.

As outlined in our fax of October 20, 2003, policy conditions state that the "two surveyors shall proceed to draw specifications as to the extent of the damage and the work required to make the damage good". Our surveyor has yet to conclude his drawing of specifications, etc. as he is still awaiting the opportunity to perform the requested joint survey.

Furthermore, if after the joint survey and conclusion of drawing specifications, etc., the surveyors do not agree, the policy goes on to state: "In the event the two surveyors cannot agree, they must select an umpire...". Therefore, the two surveyors must choose and agree on an "umpire". "In the event they cannot agree upon an umpire, either party hereto may apply to the United States District Court ... for the appointment of an umpire".

Therefore, we are again requesting that a joint survey with all of the concerned parties be held aboard the PRIM LADY.

Sincerely,

Bernice M. Ford
Marine Claims Adjuster

CC: Customhouse Marine Insurance
Attn: Agnes Lewis